

Section 1

Electronic Services

Electronic Filing (E-File) and Electronic Payment (E-Pay)

Businesses can file the following forms electronically:

- Employment Taxes ([Form 940](#) and [Form 941](#))
- [Partnerships \(Form 1065\)](#)
- [Estates & Trusts \(Form 1041\)](#)
- [Employee Benefit Plans \(Form 5500\)](#)
- [Information Returns/FIRE System](#)
- [Form 1040](#) Returns with [Schedule C](#), [Schedule E](#), and [Schedule F](#)

There's a fine line between the 20th and 21st century. In the 21st century you run your entire business electronically – why not file and pay your business taxes the same way? Business taxpayers and tax professionals can file and pay by telephone, Internet, or PC software. It's more economical, efficient, and accurate, and there's less paperwork. You'll spend more time focusing on your business and less time filing tax returns and making payments.

Some Advantages of Going Electronic:

- **Increased Accuracy:** IRS computers automatically check for errors or missing information, making e-filed returns more accurate and reducing your chance of getting an error letter from the IRS.
- **Quick Electronic Confirmation:** Individuals using e-file receive an acknowledgment within 48 hours that the IRS has received their returns. Callers using TeleFile receive a confirmation number while they're still on the phone, letting them know that the TeleFile system has accepted their return.
- **Electronic Signatures Eliminate Paperwork:** Taxpayers can create their own Personal Identification Number (PIN) and file a paperless return using their tax preparation software or tax professional. There is nothing to mail to the IRS.
- **Easy Payment Options:** With the *Electronic Federal Tax Payment System* (EFTPS), you can make your payments from the convenience of your office or home, 24 hours a day, seven days a week, using the Internet, e-filing software, or telephone. You need to enroll in EFTPS

before using the system. Visit the Web at <http://www.eftps.gov/>, or call 1-800-945-8400 or 1-800-555-4477.

In addition, taxpayers can pay any balance due on their return by credit card or by an authorized electronic funds withdrawal from their bank account. The free electronic funds withdrawal option is available only on electronically filed returns. Credit card payments may be made through e-filing software, by phone, or via the Internet.

All methods are secure – taxpayers are in total control of their payments and payment information is not disclosed for any reason other than to process the payment.

All methods provide proof of payment by listing "United States Treasury Tax Payment" on the billing or bank statement.

Bank and credit card information is safeguarded with other tax return information and is not disclosed for any reason other than processing the transaction authorized by the taxpayer.

Tax professionals, ask your software developer about enabling your programs to take advantage of e-file and EFTPS. To find out more about what life looks like on this side of the line, visit the IRS Web site at www.irs.gov.

File Smart...File Electronic

E-File & E-Pay – Frequently Asked Tax Questions And Answers

Q.) Can I file my return electronically even though I am filing a Form 8379, Injured Spouse Claim and Allocation?

A.) Yes, you can file electronically. Simply use [Form 8379](#), Injured Spouse Claim and Allocation

Q.) What software is approved for IRS e-file?

A.) The IRS does not endorse any particular software, but has provided links to electronic filing software Web sites at [On-line Filing Software Companies](#). Also, consider IRS e-file by filing through an [authorized IRS e-file Provider](#). To learn more, refer to our [Electronic Services](#) information. For general information about e-file, refer to [Tax Topic 252](#), Electronic Filing.

Q.) We will be filing a joint tax return. Can we file our return electronically?

A.) Yes. Filing your return electronically is faster, safer, and more accurate than mailing your tax return because it is transmitted directly to an IRS computer. Refer to [Tax Topic 252](#), Electronic Filing, for more information.

Q.) How can I participate as an electronic filing originator?

A.) To participate in the e-file program, you must submit [Form 8633](#), Application to Participate in the IRS e-file Program. Submit your application to the appropriate IRS Service Center as shown on Form 8633. [Publication 1345](#), Handbook for Electronic Return Originators of Individual Income Tax Returns, provides you with the information you need to apply and participate in the e-file program. Technical information can be found in [Publication 1346](#), Electronic Return File Specifications and Record Layouts for Individual Income Tax Returns. Updates to this publication will appear on the Electronic Filing System Bulletin Board: (606) 292-0137.

Q. How long after I change my name with the Social Security Administration will I be able to file my tax return electronically?

A.) Two weeks after you change your name with the [Social Security Administration](#), the IRS should have the information and you should be able to file electronically. If you do not have two weeks to wait before the due date for filing a timely return, you will need to file a paper return. For general information about e-file, refer to [Tax Topic 252](#), Electronic Filing or the [Electronic Services](#) information on-line.

Q.) I have electronically filed my tax return and it has not been accepted because a dependent's social security number and last name do not match the IRS records. I have checked with the Social Security Administration and the information is correct as it appears on his/her social security card. What do I do now?

A.) Unfortunately, you will need to file a paper return this year. You should also attach documentation supporting the social security number in question for the dependent and a copy of the e-file rejection notice. For general information about e-file, refer to [Tax Topic 252](#), Electronic Filing or the [Electronic Services](#) information on-line.

Q.) I don't owe taxes. Can I file electronically after April 15th?

A.) Yes, you can e-file until October 15th. If October 15th falls on a weekend or federal holiday, you have until midnight of the following business day to submit your return. For general information about e-file, refer to [Tax Topic 252](#), Electronic Filing.

Q.) How can I send in my tax return before April 15th when e-file won't accept a wrong social security number?

A.) You can file a paper return. You will still need to fix the problem with the social security number in order to file electronically in the future. For general information about e-file, refer to [Tax Topic 252](#), Electronic Filing. For information regarding your social security number, contact the [Social Security Administration](#).

Q.) If I file electronically, what do I do with my W-2 forms?

A.) Keep them in a safe place with a copy of your tax return. For general information about e-file, refer to [Tax Topic 252](#), Electronic Filing.

Q.) Can I TeleFile or e-file if I am deducting student loan interest?

A.) You cannot use TeleFile if you are claiming the student loan interest deduction. However, you can e-file by personal computer or through an [Authorized IRS e-file Provider](#). To learn more, refer to our [Electronic Services](#) information. For general information about TeleFile or e-file, refer to [Tax Topic 255](#), TeleFile, or [Tax Topic 252](#), Electronic Filing.

Electronic Payment (E-Pay) Options

Q.) What types of federal income taxes can be paid electronically?

A.) Payment can be made for:

- Tax Year 2001 Individual Income Tax Returns (1040 series),
- Tax Year 2001 Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return,
- Tax Year 2001 Form 1040-ES, Estimated Tax for Individuals, and
- Form 1120, Corporation Income Tax Return.

Electronic payment eliminates the need to send a paper Form 4868, Form 1040-ES, or Form 1040-V, Payment Voucher. Electronic payments for prior tax years or other types of taxes cannot be accepted at this time.

Q.) How can I use IRS e-file to file my client's Tax Year 2001 Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return, and pay the balance due electronically?

A.) Form 4868 may be e-filed (if supported by the tax preparation software package) or through TeleFile by the original return due date (April 15, 2003). This form is an extension of time to file a tax return, not an extension of time to pay a balance due. Beginning January 11, 2003, Form 4868 payments can be made by direct debit (if filed electronically) or by credit card by phone or through

the Internet. TeleFile will accept Form 4868 beginning March 31, 2003. The phone number for *TeleFile* is 1-888-796-1074. If there is a payment due and your client pays electronically, this eliminates the need to send in the paper Form 4868. Note that credit card payments can only be made for Part III of Form 4868 (Individual Income Taxes).

Q.) When can direct debit payments be made?

A.) Beginning January 11, 2003, your client can authorize a direct debit from a checking or savings account for the balance due on an individual return and/or make an estimated tax payment. The payment must be authorized at the time the return is e-filed. Payment, except for Form 1040-ES, can be scheduled for an effective date up to and including April 15, 2003. The 1040 return payment option is available through October 15, 2003. An estimated payment can be scheduled for an effective date of April 15, June 16, or September 15, 2001.

Q.) How can my clients pay by credit card and which credit cards are accepted for Filing Season 2001?

A.) Credit card payments may be made by phone (1-800-2PAY-TAX or 1-888-ALLTAXX, toll-free) or on-line (www.officialpayments.com or www.about1888ALLTAXX.com), using Discover, American Express, Visa, or MasterCard. Convenience fees may vary between service providers.

Q.) When can credit card payments be made?

A.) When e-filing a return, or paying by phone, payments can be made for the balance due on Tax Year 2002 tax returns from January 11, 2003 through October 15, 2003. If paying by phone, payments can be made for the amount due on Tax Year 2001 Form 4868 (in Part III only) from January 11, 2003 through April 15, 2003, and payments can be made for the amount due on Tax Year 2002 Form 1040-ES beginning March 3, 2003.

Q.) Is there a fee charged for using credit cards?

A.) The company that processes the credit card payments charges a convenience fee. Taxpayers are informed of all charges and fees before credit card payments are authorized.

This fee is in addition to any charges, such as interest, that may be assessed by the credit card issuer.

Q.) Can you send an amended tax return electronically?

A.) No, an amended return must be filed on a paper [Form 1040X](#), Amended U.S. Individual Income Tax Return. For general information about amended returns, refer to [Tax Topic 308](#), Amended Returns.

Q.) How can I correct a mistake on my e-filed federal return?

A.) You need to file an amended or corrected return using [Form 1040X](#), Amended U.S. Individual Income Tax Return, as soon as possible. Include copies of any schedules that have been changed or any Forms W-2 you did not include. The 1040X is a paper form. You cannot correct a mistake on an electronic return electronically. For general information about amended returns, refer to [Tax Topic 308](#), Amended Returns.